



Net Zero Progress Report 2024

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Letter from CEO

As we share our first Net Zero Progress Report, I am reminded that meaningful progress requires both ambition and humility.

The past year has been a learning curve, deepening our understanding of our emissions profile, refining our data, and confronting the complexities that come with translating commitments into action.

Our 2024 journey reflected the realities of an expanding organization: growing business travel, increased procurement, and the wider operational demands that naturally accompany growth. While this resulted in an uptick in our Scope 3 emissions, it also provided clarity on where our greatest opportunities for improvement lie.

Importantly, we have taken early corrective steps, including optimizing our digital operations, introducing the Green Office Policy, and enhancing our hybrid work model to balance business needs with environmental responsibility.

Transparency sits at the core of this report. We share our data, challenges, and next steps with the full recognition that this is an evolving process. One that demands both accountability and continuous recalibration.

Our ambition remains firm: to move forward deliberately, to hold ourselves accountable, and to contribute meaningfully to the wider global efforts addressing climate change.

Monaem Ben Lellahom
Group CEO





Introduction

The imperative for businesses to actively address climate change has never been more critical. The Global Risk Report by the World Economic Forum highlights environmental risks such as accelerating climate change, extreme weather events, and biodiversity loss among the most pressing global challenges. The report also cautions that unmanaged advancements in AI could lead to unintended adverse outcomes, and organizations are strategically recalibrating their digital approaches to embrace sustainability while mitigating emerging technological risks. In light of these insights, companies are increasingly recognizing the dual imperative of reducing their environmental impact and addressing the digital vulnerabilities associated with AI, ultimately setting a forward-thinking strategy that seeks to align technological transformation with long-term ecological and societal well-being.

For Sustainable Square, 2023 marked a pivotal year in this journey, transitioning from awareness to action. The decision to embrace net-zero commitments signifies a profound dedication to environmental stewardship and a proactive approach to building a sustainable future.

In 2023, Sustainable Square solidified its commitment towards net zero by committing to both global and national net zero pledges. At the global level, we became members of the UN Race to Zero campaign by joining the SME Climate Hub and the Climate Pledge, co-founded by Amazon and Global Optimism.

By becoming a signatory of the UAE Climate-Responsible Companies pledge, we strengthened our net zero commitment at the national level as well. The UAE Climate-Responsible Companies pledge aims to contribute towards the ambition of UAE's Nationally Determined Contributions (NDCs). This commitment to net zero is not just a symbolic gesture; it represents a fundamental value of Sustainable Square's operational ethos.

The purpose of our inaugural Net Zero Progress Report is to provide our stakeholders with highlights of our performance, the lessons learned, and the strategic direction for our net zero trajectory.





Our Net Zero Roadmap

Based on our 2023 GHG inventory we developed net zero targets utilizing the Science Based Target Initiative's (SBTi) tool, with 2030 being our target year.

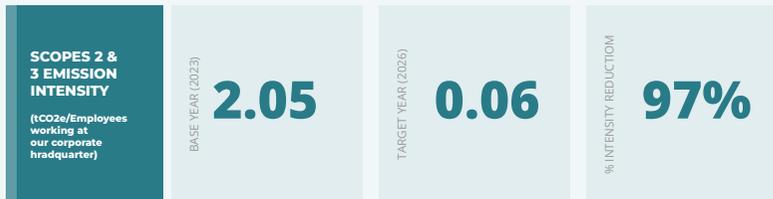
ABSOLUTE EMISSION REDUCTION TARGET FOR SUSTAINABLE SQUARE



LONG TERM SBT FORMULATION

SUSTAINABLE SQUARE COMMITS TO REDUCE 90% OF SCOPE 2 AND 3 EMISSIONS BY 2030 FROM A BASE YEAR OF 2023

INTENSITY REDUCTION TARGET FOR SUSTAINABLE SQUARE

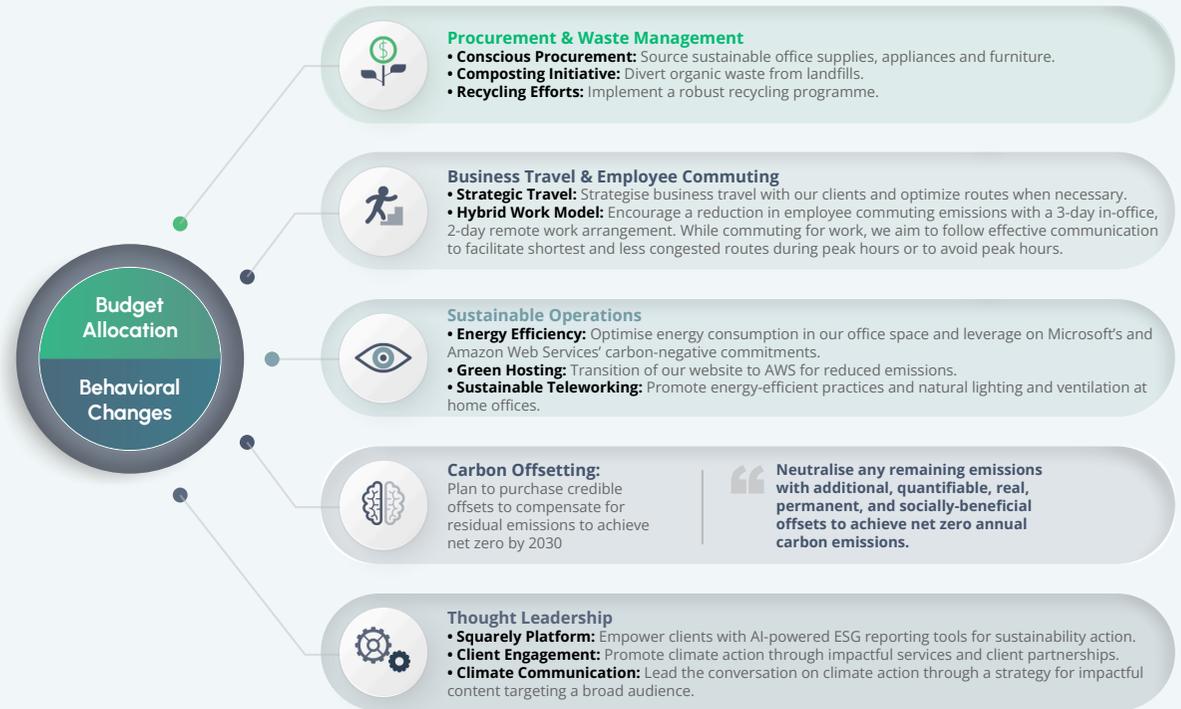


Based on our baseline emissions and targets we identified three pillars to achieve our net zero target:

- Emission Reduction Strategy
- Offsetting Strategies
- Monitoring, Reporting & Verification (MRV)

Our net zero roadmap is consistent with the one we developed in 2023, and we have not made any significant changes to its focus points.

Sustainable Square's net zero roadmap was based on a two-pronged approach of bringing about behavioral changes in the organization and strategic budget allocation of resources. Due to our comparatively low emission baseline, this was the approach that best aligned with our operations





2024 Net Zero Journey

2024 marked the first year of Sustainable Square's dedicated journey towards achieving net-zero emissions, following our formal commitment. This year served as a crucial learning period with one of our primary focuses being refining and ensuring the accuracy of our Greenhouse Gas (GHG) inventory, which was initially developed in 2023. This meticulous process involved a comprehensive assessment of all emissions sources relevant to our organization. We paid particular attention to Scope 3 emissions, recognizing their significant impact and the complexities associated with accurately accounting for them.

GHG Emissions

	2023 Emissions (Baseline) (tCO ₂ e)	2024 Emissions (tCO ₂ e)
Scope 2	1.62	2.856
Scope 3, Cat 1: Purchased goods and services	5.733	7.81
Scope 3 Category 2: Capital goods	0.001	0
Scope 3 Category 5: Waste generated in operations	1.5	1.5
Scope 3 Category 6: Business travel	1.517*	12.525
Scope 3 Category 7: Employee commuting**	10.154	9.95
TOTAL	20.525	34.641

Scope 2 emissions are calculated using the emission factors available in DEWA's sustainability report.

Scope 3 Emissions are calculated using emission factors from the database of climatiq.io for purchased goods and capital goods; Ecolytiq and proxy sources for third-party services; AWS carbon data for our web-based AI technology; ICAO and IATA for air flight business travel; co2.myclimate.org for car business travel; myclimate.org for Employee Commuting; and carbonfootprint.com ratios for Remote Employees emissions (part of Employee Commute).

* Our business travel emissions for the year 2023 have been recalculated based on the availability of more accurate emission factors.

** In 2024, we accounted for emissions from our remote employees, but did not include them in our calculations as it is not part of our formal GHG accounting.

In 2024, our total emissions experienced a significant surge, increasing by 68.77% compared to 2023. This substantial rise is predominantly attributed to our Scope 3 emissions, which encompass indirect emissions occurring in our value chain.



The spike in emissions from business travel is a significant factor in this increase. Possible factors for this include an expansion of national & international business activities and increased in-person client interactions. Similarly, rising emissions from purchased goods and services point to changes in our procurement volumes. Furthermore, recalculating 2023 business trip emissions using more accurate data resulted in a more precise baseline for comparison, underlining the magnitude of the 2024 increase.

Electricity Emissions: Quarterly Profile



Lastly, the third quarter of 2024 had the largest carbon footprint, accounting for almost 34% of our yearly Scope 2 emissions. This peak was mostly caused by increased cooling demand during the summer months. Additionally, operational issues with the centralized cooling system in our Dubai office resulted in increased electricity use. While building operations were outside our direct control, we took steps to reduce electricity consumption during this time.

The significant increase in Scope 3 emissions emphasizes the crucial need for a targeted approach to emission reduction measures. To combat the increased business travel emissions, we will focus measures such as encouraging virtual meetings, streamlining business trip plans, and reducing employee commuting.

The status of these adopted processes and policies will be detailed in our next net-zero progress report to ensure transparency and accountability in our efforts.

Offsetting of our Emissions

In 2024, we offset our emissions and as part of this we carried out thorough research and due diligence to identify reliable and accurate projects. We purchased the offsets from Climate Impact X for the Mai Ndombe REDD+ Project.

The Mai Ndombe REDD+ Project safeguards 300,000 hectares of Congo Basin rainforest, vital habitat for bonobos and forest elephants. It combats deforestation, boosts biodiversity, and fosters community development through investments in education, healthcare, food security, and capacity building.





GHG Emissions

– SQUARELY

Our internal ESG reporting platform, **SQUARELY**, represents a component of our Scope 3 emissions. **SQUARELY** associated emissions in 2024 are as depicted in the graph below.

Carbon emissions over time



Despite reaching a peak of 0.114 tCO₂e in Q1 2024, emissions were reduced and stabilized, reaching 0.094 tCO₂e by Q3 of 2024. Emissions have reduced even as the adoption and usage of the platform grew. This reduction demonstrates our successful architectural optimization during the critical market expansion phase, including the implementation of cloud optimization practices during scaling. We are continually working to reduce SQUARELY's platform-related emissions.

While we recognize the inherent emissions associated with web-based services, especially as platform usage and capabilities develop on AWS, we are committed to taking advantage of AWS's advances in server efficiency and renewable energy integration. Our goal is to achieve the lowest possible emission footprint while maintaining the platform's smooth operation and user experience. We believe that by taking this proactive approach, we will not only lower our environmental impact but also demonstrate to our clients and stakeholders our dedication to sustainable technological practices.



Green Office Policy

In 2024, we developed the Green Office Policy empowering our office-based employees to contribute towards our net-zero target.

This policy provides guidelines for reducing environmental footprint in daily operations and covers facets like energy conservation and waste reduction.

The policy also emphasizes responsible procurement practices and ensures that a due diligence process is followed for minimizing over-consumption and prioritizing the purchase of locally sourced eco-friendly products.

The Green Office Policy will be implemented in 2025, and we will monitor the progress closely.





Initiatives

In 2024, our first year of working toward net-zero, we established a variety of strategies to assist reduce our environmental footprint and lay the groundwork for sustainable operations.



**Responsible
procurement
practices**



**Collection of paper
and cardboard for
recycling**



**Formalized
2-day work
from home**



**Identification of
credible carbon
offset sources**



**Establishment
of thought
leadership**

Building on our thought leadership, we will be conducting a webinar targeted for small and medium-sized enterprises (SMEs) in the beginning of 2025. This webinar is aimed to help SMEs build capacity on net-zero and empower them with information on embarking on the net-zero journey and setting achievable and realistic targets. This will help us position ourselves in the market and thought leaders and thereby help positively impact the larger society.

Leveraging our expertise and to build on our thought leadership, we will be conducting an exclusive webinar for small and medium-sized businesses (SMEs) scheduled for early 2025, in partnership with The Climate Pledge. This interactive session is designed to empower SMEs by offering practical guidance on building capacity for net-zero initiatives, setting achievable targets, and navigating the challenges of transitioning to sustainable operations. Through such practices, we aim to not only reinforce our market positioning as industry leaders but also foster meaningful change that benefits the broader community and drives long-term sustainable progress.

In 2025, we at Sustainable Square plan on continuing and building on our 2024 initiatives whilst incorporating new strategies to help us reach our net-zero target. Two of our new strategies that have been finalized for 2025 are:



We aim to not only sustain the progress made in 2024 but significantly accelerate our efforts. In 2025, we at Sustainable Square plan on continuing and building on our 2024 initiatives whilst incorporating new strategies to help us reach our net-zero target.

Two of our new strategies that have been finalized for 2025 are:



Implementing our Green Office Policy to help streamline procurement practices and prioritizing locally sourced, eco-friendly products



Updating our hybrid work model, where employees work two days per week from the office, with an adjustment during peak summer months to just one in-office day, ensuring emission reduction, operational efficiency and enhanced employee comfort.

Voluntary Initiative – Recycling Drive

At Sustainable Square, we are committed to creating a positive environmental impact that extends beyond our own operations and client engagements. In 2024, we partnered with Kiswa, a trusted third-party vendor, to launch a comprehensive recycling drive. Our employees participated by donating old clothes and shoes for recycling, an initiative that not only promoted team engagement but also encouraged a reflective look at personal consumption and waste. According to Kiswa's calculations, this effort has helped reduce landfill emissions from textile waste and prevented the release of 75 kg of CO equivalent, marking a meaningful step towards a more sustainable future.





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